

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of the)	No. D03-105
HARTFORD LIFE)	
INSURANCE COMPANY,)	CONSENT ORDER
An Authorized Insurer.)	IMPOSING A FINE
)	

FINDINGS OF FACT:

1. The Hartford Life Insurance Company ("The Hartford") is authorized to transact insurance business in the state of Washington.
2. In March of 1992, the Hartford filed its standardized Medicare Supplement policy with the Office of the Insurance Commissioner ("OIC"). This was approved on March 31, 1993.
3. During 1997 and 1999, the Hartford was actually charging rates for this Medicare Supplement policy which were lower than the rates which had been approved by the OIC.
4. In addition, the Hartford was applying a 5.4% discount to some purchasers of this Medicare Supplement policy who were members of a particular organization.
5. On December 2, 2002, a Hartford employee reported that the Hartford had been using rates for this product which were different from the approved rates. Approximately 3000 consumers were affected. The amount undercharged was \$1,647,447.

CONCLUSIONS OF LAW:

1. By charging rates other than approved rates, the Hartford violated RCW 48.66.035(2).
2. The Hartford's use of a 5.4% discount for particular insureds and not others violated RCW 48.66.045(3), and the Hartford's use of that discount also violated RCW 48.66.035(2) in that the discounted rate had not been filed with or approved by the Insurance Commission.
3. RCW 48.05.185 authorizes the Commissioner to impose a fine in lieu of the suspension or revocation of a company's certificate of authority.

CONSENT TO ORDER

1. RCW 48.05.185 authorizes the Insurance Commissioner to impose a fine in lieu of the suspension or revocation of a company's certificate of authority. The

Commissioner has offered a settlement in lieu of suspending or revoking the Hartford's certificate of authority. The Hartford hereby consents to the entry of this Order and admits to the foregoing Findings of Fact and Conclusions of Law. The Hartford acknowledges its duty to comply fully with the applicable statutes and regulations of the State of Washington.

2. By agreement of the parties, the Insurance Commissioner will not revoke nor suspend the Hartford's certificate of authority but will impose a fine of \$15,000 on the Hartford and will suspend \$10,000 of that amount for five years from the date of entry of this Order on condition that:

a. The Hartford pay the unsuspended portion of the fine, \$5000, within 30 days of the date this Consent Order is entered; and

b. The Hartford commit no further violations of the statutes which are the subjects of this Consent Order for a period of five years from the date on which this Order is entered. The Insurance Commissioner will not impose the suspended portion of the fine nor proceed against the Hartford's certificate of authority for isolated, de minimis violations (as determined by the Insurance Commissioner) of the statutes which are the subjects of this Order during the five year suspense period. The Hartford commits to rectifying all such violations promptly once they are discovered.

c. If the Hartford does commit additional violations of the statutes which are the subject of this Order within five years of the entry of this Order, the suspended \$10,000 of the fine will be immediately due and payable, together with such other and additional fines and sanctions which may be levied because of those additional violations. But if the Hartford does not commit such additional violations during that five-year period, then the Insurance Commissioner will waive the suspended portion of the fine at the end of that five-year period.

3. Pursuant to RCW 48.05.185, failure to pay the unsuspended \$5000 of the fine timely and in full, or to fulfill the above listed conditions, shall constitute grounds for recovery of the entire fine and for suspension or revocation of the Hartford's certificate of authority in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the state of Washington.

THE HARTFORD LIFE INSURANCE COMPANY

Printed Name: _____

Printed Corporate Title: _____

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner imposes a fine of \$15,000 (Fifteen thousand dollars and no/100) upon the Hartford Life Insurance Company, in lieu of suspension or revocation of the certificate of authority held by the insurer in the state of Washington. Of this fine, the amount of \$10,000 (Ten thousand dollars and no/100) will be suspended for five years after the date of entry of this order, upon condition that the Hartford Life Insurance Company commit no further violation(s) of any of the statutes which are the subjects of this Consent Order during that period of time. If the insurer does commit further violation(s) of any of those statutes during that time, the suspended amount of \$10,000 (Ten thousand dollars and no/100) will be immediately due and payable, along with any other fines and sanctions which may be levied for the additional violation(s). But if the Hartford Life Insurance Company does not commit additional violation(s) of any of those statutes during that five-year period from the date of entry of this order, then the Insurance Commissioner will waive the suspended amount of the fine.

The Insurance Commissioner will not impose the suspended portion of the fine, \$10,000, nor suspend nor revoke the certificate of authority held by the Hartford in the state of Washington, for isolated, de minimis violations (as determined by the Insurance Commissioner) of the statutes which are the subjects of this Consent Order, during the five-year period after the date of entry of this Order.

The unsuspended amount of the present fine, \$5000 (Five thousand dollars and no/100) is to be paid in full not later than thirty days after the date of entry of this order. Failure to pay it timely and in full will constitute grounds for the suspension or revocation of the certificate of authority held by the Hartford Life Insurance Company in the state of Washington. It will also result in a civil action to collect the entire fine of \$15,000, brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 18th day of July, 2003.

MIKE KREIDLER
Insurance Commissioner

William Kirby
Legal Affairs Division